

CREDIT AND DEBT MANAGEMENT OPERATING STANDARDS AND PROCEDURES HANDBOOK

CHAPTER 1. INTRODUCTION

Section 1.0 Authority

These Credit and Debt Management Operating Standards and Procedures, (Handbook), are established pursuant to the [Commerce Department Administrative Order 200-0](#), issued December 24, 1996.

Section 2.0 Purpose

The purpose of the Handbook is to provide guidance to Departmental offices, bureaus and operating units (organization units) to ensure that consistent credit and debt management practices are established and followed throughout the Department.

The Handbook is also issued to establish and enhance internal Department management practices in conformance with the regulatory requirements established by central agencies in the areas of credit and debt management. These central agency requirements include: the revised "[Federal Claims Collection Standards](#)" issued jointly by the Departments of Justice and Treasury (31 CFR 900-904) (November 2000), the revised Office of Management and Budget (OMB) [Circular A-129](#) "Policies for Federal Credit Programs and Non-Tax Receivables" (November 2000), Treasury's "[Guide to the Federal Credit Bureau Program](#)" (October 2001), and Treasury's "[Cross-Servicing Implementation Guide](#)" (January 2005).

Each bureau, however, may issue additional policies and procedures consistent with directives and standards to satisfy their unique needs, as long as they are consistent with the Department-wide standards, the Federal Claims Collection Standards, and other applicable Federal law, policies, and procedures, subject to the approval of the Deputy Chief Financial Officer.

Section 3.0 Scope

The Handbook applies to all loan and loan guarantee programs administered by organization units of the Department. Also, certain sections apply to extension of financial assistance and to the collection of receivables relating to procurement, contracts, grants, and cooperative agreements, as well as to collection of general or trade accounts receivable resulting from the sale of goods or services by Department organization units. Further guidance for the collection of receivables is provided in the Department's [Cash Management Policies and Procedures Handbook](#).

The Handbook may not anticipate all the variables and contingencies, which may confront organization unit officials in the pre-award evaluation process, as well as in subsequent account servicing and debt collection activities. Thus, the Handbook is not a substitute for

comprehensive, thoughtful analysis of the varying business, financial, programmatic, and legal circumstances which will be presented to an organization unit official in developing and servicing a new loan, or collecting on a defaulted loan or assumed loan guarantee.

The Handbook is for internal Department use to guide Department officials. It neither creates nor imposes any legal duty or obligation upon the Department or its officials with respect to any third parties or entities.

The Handbook is not to be relied upon by any third parties or entities, and is neither intended to, nor shall be construed to have created any rights for any third parties or entities. The term “third parties” or “entities” as used herein, shall include, but will not be limited to:

- 1) applicants, recipients, or beneficiaries of a Department financial assistance or procurement program;
- 2) opponents of any such assistance;
- 3) banks or other lending institutions seeking guarantees or otherwise participating in or involved in a Department loan or loan guarantee program;
- 4) creditors of present or future Department borrowers, or creditors of a firm now or in the future benefiting from a Department loan guarantee; or
- 5) the agents or attorneys of the foregoing entities.

Section 4.0 How to Use the Handbook

.01 Coverage of the Handbook

The Handbook describes the Departmental requirements for credit extension and debt management activities in organization units.

.02 Form of Issuance

The Handbook will be issued and maintained by publication on the Internet at this address: <http://www.osec.doc.gov/ofm/credit/cover.htm>. Revisions shall similarly be issued by publication to the above website. Notification of revisions shall be sent by e-mail.

.03 Questions on the Handbook

Questions regarding either the material or its substantive content should be directed to the Director for the Office of Financial Management (OFM), Office

of the Secretary. The Director, OFM, is the Department Debt Management Coordinator (see [Chapter 2, Section 2.0](#)).

Section 5.0 Situations Not Covered by the Handbook

The provisions of this Handbook do not apply to the handling of any debt where there is (a) an indication of fraud, (b) the presentation of a false debt, (c) misrepresentation on the part of the debtor or any other party having an interest in the debt, or (d) a debt based in whole or in part on conduct in violation of the antitrust laws, unless the debt has been referred to the Department of Justice (DOJ) and is returned to this Department for further handling. For purposes of this Handbook, the terms “claim” and “debt” are synonymous and interchangeable. Only DOJ has authority to compromise, suspend or terminate collection action on such claims. Tax claims, as to which differing exemptions, administrative considerations, enforcement considerations, and statutes apply, are also excluded from this Handbook. Nothing contained in this Handbook is intended to require an organization unit to omit or foreclose administrative proceedings required by contract or by law.

In the event that a situation arises that is not specifically covered by the Handbook, guidance should be obtained from the Director, OFM. If guidance cannot be obtained in adequate time from the Director, OFM, it is the responsibility of the organization unit to take such action as is consistent with its overall responsibility. Any questions regarding interpretation of these procedures should be directed to the Director, OFM.